UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE INCORPORATED,
Plaintiff,
vs.
VYSIS, INC.,
Defendant

CASE NO. 99-CV- 2668 H (AJB)

Order Denying Motion for Entry of Final Judgment under Rule 54(b)

On June 19, 2001, the Court granted plaintiff Gen-Probe's motion for partial summary judgment that its nucleic acid test for human immunodeficiency virus ("HIV") and hepatitis C virus ("HCV") does not literally infringe the claims of defendant Vysis' U.S. Patent No. 5,750,338 ("the '338 patent"). The Court construed the term "amplifying" as found in the '338 patent as encompassing only non-specific amplification methods.

On June 29, 2001, Vysis filed a Motion for Entry of Final Judgment under Rule 54(b) of the Federal Rules of Civil Procedure. The parties agreed to an expedited briefing schedule on the motion. Gen-Probe filed an Opposition on July 10, 2001 and Vysis filed a Reply on July 13, 2001. The motion is submitted on the papers without oral argument pursuant to Local Rule 7.1(d)(1).

Vysis seeks entry of final judgment against it on Counts I and III of Gen-Probe's Second Amended Complaint pursuant to Rule 54(b) and a stay of all remaining proceedings so that it may pursue an immediate appeal to the Federal Circuit. Count I of the Second Amended Complaint alleges

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that Gen-Probe's HIV and HCV test kits do not infringe the claims of the '338 patent. Count III asks for a declaration of Gen-Probe's rights and obligations under its license with Vysis.

Gen-Probe asserts that the Court's grant of partial summary judgment does not completely resolve Count I because the Court did not address infringement under the doctrine of equivalents. In its Reply, Vysis stipulates that if the Court enters final judgment under Rule 54(b), it will not assert that Gen-Probe's HIV/HCV test infringe under the doctrine of equivalents unless the Court's claim construction is reversed or modified. Vysis also states that should the Federal Circuit affirm the Court's claim construction, it will not later assert that Gen-Probe's HIV/HCV test kits infringe the claims of the '338 patent under the doctrine of equivalents. Nonetheless, the Court declines to direct entry of final judgment as to Count I of the Second Amended Complaint.[1]

Rule 54(b) of the Federal Rules of Civil Procedure gives courts the discretion to direct the entry of a final judgment as to one or more of the claims in a case upon the express determination that there is no just reason for delay. A district court may grant Rule 54(b) certification if it will aid "expeditious decision" of the case. Texaco, Inc. v. Ponsoldt, 939 F.2d 794, 798 (9th Cir. 1991) (quoting Sheehan v. Atlanta Int'l Ins. Co., 812 F.2d 465, 468 (9th Cir. 1987)).[2] However, Rule 54(b) certification is inappropriate when it allows "piecemeal appeals in cases which should be reviewed only as single units." Id. (citations omitted). Partial judgments under Rule 54(b) are reserved for cases where "the costs and risks of multiplying the number of proceedings and of overcrowding the appellate docket" are outweighed by the pressing need for an early and separate judgment. Morrison-Knudsen Co. v. Archer, 655 F.2d 962, 965 (9th Cir. 1981). Partial judgment under Rule 54(b) is proper where there are distinct claims and immediate review of the portions ruled upon will not result in later duplicative proceedings in the trial or appellate court. White Mountain Apache Tribe v. Hodel, 784

[1] The Court also declines to direct entry of final judgment as to Count III of the Second Amended Complaint. In Count III, Gen-Probe seeks a declaration of its rights and obligations under the '338 patent in light of its non-infringement and invalidity challenges. Because the Court has not addressed the invalidity challenges to the '338 patent, Count III is not eligible for Rule 54(b) certification.

[2] The Federal Circuit applies the law of the regional circuit when evaluating a procedural issue, like Rule 54(b) certification, that is not related to patent law. CAE Screenplates Inc. v. Heinrichfelder GmbH & Co., 224 F.3d 1308, 1314-15 (Fed. Cir. 2000).

F.2d 921,923-24 (9th Cir. 1986); Morrison-Knudsen, 655 F.2d at 965. "A similarity of legal or factual issues will weigh heavily against entry of judgment [under Rule 54(b)]." Morrison-Knudsen, 655 F.2d at 965.

The Court's grant of partial summary judgment does not determine whether the '338 patent is valid. Counts Two, Three, Four, Five, and Six of Gen-Probe's Second Amended Complaint each assert that the '338 patent is invalid. Gen-Probe continues to prosecute those causes of action. Vysis argues that these Counts are separable from Count One and that failure to obtain a prompt determination of the scope of the claims may result in an unnecessary delay in determining Gen-Probe's obligation to pay royalties under the '338 patent license agreement with Vysis. Vysis asks for a stay of the proceedings on Gen-Probe's remaining counts until after appeal to the Federal Circuit.

In this case, an interlocutory appeal is not the quickest path to a final and complete resolution of the case. A pre-trial conference has been set in this case for January 14, 2002. At trial, all of the issues in the case can be disposed of and a full factual record can be developed. Entry of final judgment of Count One, when the invalidity issues remain pending, would result in an inefficient use of judicial resources and unnecessary delay in the ultimate resolution of this case.

Consequently, the Court DENIES Vysis Motion for Entry of Final Judgment Under Rule 54(b).

IT IS SO ORDERED.

DATED: 7-18-01

MARILYN L. HUFF, Chief Judge
UNITED STATES DISTRICT COURT

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